

Shaping our future



The strength to change



1Q10 results

May 11 2010



Strategic refocus – Pharmaceuticals divestment

- Sale of the entire Pharmaceuticals Business to Abbott for an EV of EUR 5.2 billion
- Closing of the transaction on February 15, 2010
 - ✓ After-tax capital gain of EUR 1.7 billion in 1Q10
 - ✓ EUR 4.5 billion cash-in
 - ✓ Temporarily invested in short duration government bonds (Germany, France, The Netherlands, Belgium) and highest rated treasury instruments and in treasury shares of maximum 5.1 million shares (6% of the issued capital of Solvay).

Strategic refocus – Reinvestment process

- Solvay, a new industrial benchmark based on
 - ✓ Two existing strong pillars with clear leadership positions
 - ✓ World scale facilities
 - ✓ Global presence with significant Asian and Latin American exposure
 - ✓ Strong product development culture
 - ✓ Very strong financial structure
- With global ambition, aimed at improving Solvay's sustainability profile by focusing on investment in
 - ✓ High value added activities
 - ✓ Low energy footprint
 - ✓ Reduction of the cyclical nature of the portfolio
 - ✓ Contribution to the geographic expansion
 - ✓ Sustainability targets of the Group
- Unchanged philosophy : sustained growth with leading positions; commitment to a conservative financial structure

Financial highlights 1Q10

Sale of Pharmaceuticals activities on February 15 2010

Continuing operations:

- **Net sales: EUR 1.6 bn**; up by 18% thanks to globally more sustained activities
- **REBIT: EUR 115m**; significantly higher compared to 1Q09 and 4Q09

REBIT (MEUR)	1Q09 ¹	4Q09 ¹	1Q10
Chemicals	61	73	67
Plastics	7	30	59
NBD	-6	-8	-6
CBS	2	-7	-5
Continuing operations	64	89	115
PHARMA	94	239	31
GROUP	158	328	146

Compared to 1Q09:

- Overall, benefit from **cost control measures**
- **Chemicals**: +9% thanks to increased sales volumes (+17%) in all business lines
- **Plastics**: sharply up thanks to strong sales volumes improvement, especially in Specialty Polymers (+37%)

¹ Restated taking into account the reclassification of the cost of discounting provisions below REBIT

Financial highlights 1Q10 (2)

- **Group net profit: EUR 1,732m** (versus EUR 98m in 1Q09)
 - ✓ **Net capital gain on Pharma sale:** EUR 1,696m
 - ✓ **Non recurring items:** EUR -48m including a EUR 20m charge for the closure of the hydrogen peroxide unit at Bitterfeld
 - ✓ **Financial charges** (EUR -46m): low yield on cash (0.44% p.a.)
 - ✓ **Effective tax rate:** very low due to the low taxation of the capital gain on Pharma sale; excluding capital gain: 31%

Chemicals in 1Q10

REBIT : EUR 67m



m EUR	NET SALES ^[1]			REBIT	Comments
	2009	1Q10	1Q10 vs 1Q09		
CHEMICALS	2,713	682	-6%	+9%	REBIT up by 9% compared to 1Q09 thanks to: ✓ Further improvement of sales volumes (+17%) ✓ Stable Group energy expenses ^[3] (13% of sales in 1Q10 vs 16% in 1Q09) and despite significantly lower sales prices (-23%).
Minerals cluster ^[2]	1,263	310	-8%	↘	
Electrochemicals & Fluor chemicals cluster	986	251	-8%	≈	
Oxygen cluster	441	116	+16%	↗	

[1] including SBU Molecular Solutions

[2] including SBUs Soda ash and related specialties and Advanced Functional Minerals.

[3] Excluding Pharma

Chemicals

Strategic developments



● Sustainable development and environmental footprint

- ✓ Construction of Epicerol® (epichlorohydrin based on natural glycerin) plant in Thailand (2012)
- ✓ Production of bicarbonate for treatment of flue gases based on unutilized soda ash by-products in USA (operational since April 2010).
- ✓ Fluor specialty production for Li-ion rechargeable batteries introduced in South Korea (end of 2009)
- ✓ Refuse Derived Fuel cogeneration plant at Bernburg, Germany operational since early 2010

● Innovation and geographic expansion

- ✓ Soda ash : agreement to acquire majority in Berezniki (Russia) (closing expected in 2Q10).
- ✓ HPPO technology: new H₂O₂ plant in partnership with Dow in Thailand (2011)
- ✓ Agreement with Huatai Group to build a H₂O₂ plant in China (2011)

● Continued focus on competitiveness

- ✓ Closure of fluorinated products plant at Catoosa, USA (2Q09)
- ✓ Closure of hydrogen peroxide plant at Bitterfeld, Germany (2009/2010)
- ✓ Targeted restructurings in Belgium, Egypt and Italy (ongoing)
- ✓ Very strong cost and cash control across the board

Plastics in 1Q10

REBIT : EUR 59m



m EUR	NET SALES			REBIT	Comments
	2009	1Q10	1Q10 vs 1Q09		
PLASTICS	2,982	917	+46%	ns	<p>REBIT (EUR 59m) sharply up compared to 1Q09 (EUR 7m) thanks to:</p> <ul style="list-style-type: none"> ✓ Significantly higher sales volumes in Specialty Polymers (+37% vs 1Q09) and Inergy (+54% vs 1Q09) ⇒ Growth in all regions but in particular in Asia <p>Vinyls results impacted by dull construction market and low margins in Europe and Mercosur; slight demand improvement in Europe in March-April</p>
Specialties cluster ^[1]	1,251	394	+42%	↗	
Vinyls cluster ^[2]	1,731	523	+49%	↗	

[1] Including SBUs Specialty Polymers and Inergy Automotive Systems

[2] Including SBUs Vinyls and Pipelife

Plastics

Strategic developments



- **Sustainable development and environmental footprint**
 - ✓ Specialty Polymers: launch of a new series of PVDF for use in Lithium-ion batteries (3Q09)
 - ✓ Inergy: “Selective Catalytic Reduction” system to reduce NOx emissions from diesel engines (2Q09)
 - ✓ Vinyls: Major power unit of 120MW in Argentina (3Q09); project to produce ethylene based on bioethanol
- **Innovation & geographic expansion**
 - ✓ PVC: modernization & capacity expansion realized in Brazil (early 2009)
 - ✓ Integrated vinyls plant in Russia: start-up in line with expected recovery scheduled for 2013
 - ✓ Inergy: expansion in Russia (3Q09), China and India (2010)
- **Growth in specialties**
 - ✓ Start of new DIOFAN® unit, France (1Q09)
 - ✓ Capacity extensions of SOLEF®, France & FLUOROLINK®, Italy (2Q09)
- **Continued focus on competitiveness**
 - ✓ Closure of PVC compounds unit, Belgium (3Q09)
 - ✓ Inergy: closure of Nucourt, France (3Q09)
 - ✓ Very strong cost and cash control across the board

New Business Development

- **2010 budgeted REBIT:** EUR -30m = R&D costs

REBIT (MEUR)	1Q09	1Q10	BDG10
NBD	-6	-6	-30

- **2010 budgeted CAPEX:** \approx EUR 25m
- **Recent developments (2009 – 2010):**
 - ✓ Project of construction of a semi-industrial fuel cell with a capacity of about 1 MW on the SolVin site at Antwerp.
 - ✓ Further investment in ACAL Energy Ltd in March 2010
 - ✓ Further investment in Plextronics, Inc. in August 2009
 - ✓ R&D team strengthened
 - ✓ Further investment in SolviCore

HORIZON Project

- Launch of **Horizon project** at end of February to **optimize efficiency** of Solvay's organization and **secure best prospects** for future growth
- **Cost saving potential** (external and internal) **estimated to reach up to EUR 120m by end of 2012** on annual and recurrent basis
- Based on established practices, **one-off costs** at least equal to one time the estimated annual savings
- All decisions will be made in accordance with Solvay's **corporate governance rules** and **applicable legislation and procedures**

“The year 2010 started in the context of demand recovery. Should this improvement be confirmed in the next months, it should allow the Chemicals Sector to realize a recurring operating result in line with that of last year, notwithstanding the price decreases; in Plastics, the volume growth should support REBIT expansion. The priority will this year go to the optimal reinvestment after the disposal of the pharmaceuticals activities.”

Press release of May 11, 2010

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